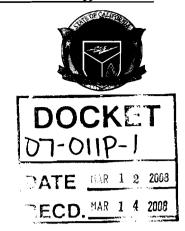
CALIFORNIA ENERGY COMMISSION

1516 Ninth Street Sacramento, California 95814

WEBSITES

Main website: www.energy.ca.gov Children's website: www.energyquest.ca.gov Consumer Information: www.ConsumerEnergyCenter.org

STATE OF CALIFORNIA ENERGY RESOURCES CONSERVATION AND DEVELOPMENT COMMISSION



In the Matter of:)	Docket: 07-OIIP-1
AB 32 Collaborative Proceeding)	Adoption Order 08-0312-5
)	
)	

I. BACKGROUND

AB 32 (Stats. 2006, ch. 488) requires the California Air Resources Board (ARB), after consulting with all state agencies with jurisdiction over sources of greenhouse gases, including the California Public Utilities Commission (CPUC) and the Energy Commission, to adopt a greenhouse gas (GHG) emissions cap on all major sources to reduce statewide emissions of greenhouse gases to 1990 levels. In addition to other benchmark requirements, AB 32 directs ARB to adopt regulations by January 1, 2008 regarding the reporting and verification of statewide GHG emissions. The Energy Commission has been collaborating with the CPUC to craft recommendations to ARB for the electricity and natural gas sectors, including how best to report and verify GHG emissions.

On August 21, 2007, the Energy Commission's AB 32 Collaboration Committee (Committee), consisting of Chairman Jackalyne Pfannenstiel as the Presiding Member and Commissioner Jeffrey D. Byron as the Associate Member, participated with Commissioners from the CPUC in an en banc hearing regarding potential designs for an electricity sector greenhouse gas emissions regulatory program.

After considering information presented at the en banc hearing, materials in the record, and comments filed by the parties in this proceeding, the Committee, together with its counterpart at the CPUC, drafted and issued an "Interim Opinion on Greenhouse Gas Regulatory Strategies," on February 8, 2008, which provides recommendations to the ARB regarding what type of regulatory program would best accomplish the reductions required under AB 32 for the electricity and natural gas sectors. The Interim Opinion recommends a mix of direct mandatory/regulatory requirements and a cap-and-trade system for the electricity and natural gas sectors. After receiving comments on the proposed decision, a revised version was issued on

March 11, 2008. The CPUC will consider adoption of the proposed recommendations on March 13, 2008.

II. ACTION TAKEN

At a regularly scheduled business meeting on March 12, 2008, the Energy Commission, after discussing the item, voted to adopt the revised Interim Opinion on Greenhouse Gas Regulatory Strategies, including clarifying language proposed by Commissioner Douglas and errata.

It is hereby ordered that this document shall be provided to the ARB and made available to the public.

Dated: March 12, 2008

STATE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT COMMISSION

JACKALYNE PFANNENSTIEL

Chairman

JAMES D. BOYD

Vice Chair

__ (Absent)

ARTHUR H. ROSENFELD

Commissioner

JEFFREY D. BÝRON

Commissioner

KAREN DOUGLAS

Commissioner